

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1001 be amended to read as follows:

1 Page 75, line 39, delete "2,040,955,447
2 2,056,217,947" and insert "**2,055,851,280**
3 **2,089,572,113**".
4 Page 75, line 41, delete "1,591,844,553
5 1,606,832,053" and insert "**1,604,198,720**
6 **1,636,727,887**".
7 Page 75, line 44, after "support," insert "**at risk programs**".
8 Page 76, line 12, delete "23,995,817
9 23,995,817" and insert "**11,997,909**
10 **11,997,909**".
11 Page 76, line 18, delete "35,854,597
12 35,854,597" and insert "**17,927,299**
13 **17,927,299**".
14 Page 77, line 27, after "corporation", delete ", charter school".
15 Page 77, line 38, delete "8,900,100
16 8,900,100" and insert "**4,450,050**
17 **4,450,050**".
18 Page 77, line 46, delete "or charter school".
19 Page 78, delete lines 43 through 44, begin a new paragraph and
20 insert:
21 **"NON-ENGLISH SPEAKING PROGRAM**
22 **Other Operating Expense 700,000 700,000**
23 **The above appropriations for the non-English speaking program**
24 **are for pupils who have a primary language other than English and**
25 **limited English proficiency, as determined by using a standard**
26 **proficiency examination that has been approved by the department**
27 **of education.**
28 **The grant amount is seventy-five dollars (\$75) per pupil. It is the**
29 **intent of the 2003 general assembly that the above appropriations**
30 **for the non-English speaking program shall be the total allowable**
31 **state expenditure for the program. If the expected distributions are**

1 anticipated to exceed the total appropriations for the state fiscal
 2 year, the department of education shall reduce each school
 3 corporation's distribution proportionately."

4 Page 81, line 29, delete "1,928,549,699
 5 2,029,734,638" and insert "**1,926,749,699**
 6 **2,020,234,638**".

7 Page 87, line 3, delete "\$11,397,053" and insert "**\$16,397,053**".

8 Page 100, delete lines 25 through 51, begin a new paragraph and
 9 insert:

10 "SECTION 43. IC 6-1.1-19-1.5, AS AMENDED BY P.L.90-2002,
 11 SECTION 173, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2003]: Sec. 1.5. (a) The following definitions
 13 apply throughout this section and IC 21-3-1.7:

14 (1) "Adjustment factor" means the adjustment factor determined
 15 by the department of local government finance for a school
 16 corporation under IC 6-1.1-34.

17 (2) "Adjusted target property tax rate" means:

18 (A) the school corporation's target general fund property tax
 19 rate determined under IC 21-3-1.7-6.8; multiplied by

20 (B) the school corporation's adjustment factor.

21 (3) "Previous year property tax rate" means the school
 22 corporation's previous year general fund property tax rate after the
 23 reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and
 24 IC 21-3-1.7-5(3).

25 (b) Except as otherwise provided in this chapter, a school
 26 corporation may not, for an ensuing calendar year, impose a general
 27 fund ad valorem property tax levy which exceeds the following:

28 STEP ONE: Determine the result of:

29 (A) the school corporation's adjusted target property tax rate;
 30 minus

31 (B) the school corporation's previous year property tax rate.

32 STEP TWO: ~~Determine the result of:~~

33 ~~(A) the school corporation's target general fund property tax~~
 34 ~~rate determined under IC 21-3-1.7-6.8; multiplied by~~

35 ~~(B) the quotient resulting from:~~

36 ~~(i) the absolute value of the result of the school corporation's~~
 37 ~~adjustment factor minus one (1); divided by~~

38 ~~(ii) two (2):~~

39 ~~STEP THREE:~~ If the school corporation's adjusted target property
 40 tax rate:

41 (A) exceeds the school corporation's previous year property tax
 42 rate, perform the calculation under ~~STEP FOUR~~ **THREE** and
 43 not under ~~STEP FIVE;~~ **FOUR**;

44 (B) is less than the school corporation's previous year property
 45 tax rate, perform the calculation under ~~STEP FIVE~~ **FOUR** and
 46 not under ~~STEP FOUR;~~ **THREE**; or

47 (C) equals the school corporation's previous year property tax

rate, determine the levy resulting from using the school corporation's adjusted target property tax rate and do not perform the calculation under ~~STEP FOUR~~ **THREE** or ~~STEP FIVE~~. The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under clause (C) in 2002 and in 2003: **FOUR**.

~~STEP FOUR~~: **THREE**: Determine the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by the lesser of:

(A) the STEP ONE result; or

(B) ~~the sum of~~:

(i) five cents (\$0.05). ~~plus~~

(ii) if the school corporation's adjustment factor is more than one (1); the ~~STEP TWO~~ result.

The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under this STEP in 2002 and in 2003.

~~STEP FIVE~~: **FOUR**: Determine the levy resulting from using the school corporation's previous year property tax rate after reducing the rate by the lesser of:

(A) the absolute value of the STEP ONE result; or

(B) ~~the sum of~~:

(i) nine cents (\$0.09). ~~plus~~

(ii) if the school corporation's adjustment factor is less than one (1); the ~~STEP TWO~~ result.

The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under this STEP in 2002 and in 2003.

~~STEP SIX~~: **FIVE**: Determine the result of:

(A) the ~~STEP THREE TWO~~ (C), ~~STEP FOUR~~, **THREE**, or ~~STEP FIVE~~ **FOUR** result, whichever applies; plus

(B) an amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

The maximum levy is to include the portion of any excessive levy and the levy for new facilities.

(c) For purposes of this section, "total assessed value", as adjusted under subsection (d), with respect to a school corporation means the total assessed value of all taxable property for ad valorem property taxes first due and payable during that year.

(d) The department of local government finance may adjust the total assessed value of a school corporation to eliminate the effects of appeals and settlements arising from a statewide general reassessment of real property.

(e) The department of local government finance shall annually establish an assessment ratio and adjustment factor for each school

corporation to be used upon the review and recommendation of the budget committee. The information compiled, including background documentation, may not be used in a:

- (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;
- (2) petition for a correction of error under IC 6-1.1-15-12; or
- (3) petition for refund under IC 6-1.1-26.

(f) All tax rates shall be computed by rounding the rate to the nearest one-hundredth of a cent (\$0.0001). All tax levies shall be computed by rounding the levy to the nearest dollar amount.

SECTION 44. IC 6-1.1-20.9-2, AS AMENDED BY P.L.192-2002(ss), SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) The amount of the credit to which the individual is entitled equals the product of:

- (1) the percentage prescribed in subsection (d); multiplied by
- (2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is:

(A) attributable **during the particular calendar year** to the **part of the assessed value of the homestead during the particular calendar year; that does not exceed three hundred thousand dollars (\$300,000);** and

(B) determined after the application of the property tax replacement credit under IC 6-1.1-21.

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 and thereafter	20%

However, the property tax replacement fund board established under

IC 6-1.1-21-10, in its sole discretion, may increase the percentage of the credit provided in the schedule for any year, if the board feels that the property tax replacement fund contains enough money for the resulting increased distribution. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board in its discretion increases the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

- (1) an individual uses the residence as the individual's principal place of residence;
- (2) the residence is located in Indiana;
- (3) the individual has a beneficial interest in the taxpayer;
- (4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and
- (5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 45. IC 6-1.1-21-2, AS AMENDED BY P.L.192-2002(ss), SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6

(repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus (ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus (G) the amount of property taxes imposed in the county for the stated assessment year under:

- (i) IC 21-2-15 for a capital projects fund; plus
- (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- (iii) IC 20-14-13 for a library capital projects fund; plus
- (iv) IC 20-5-17.5-3 for an art association fund; plus
- (v) IC 21-2-17 for a special education preschool fund; plus
- (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
- (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
- (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in ~~IC 6-1.1-19-1.5(a)~~ **STEP ONE IC 6-1.1-19-1.5** or any other law; minus

(I) for each township in the county, the lesser of:

- (i) the sum of the amount determined in IC 6-1.1-18.5-19(a) **STEP THREE** or IC 6-1.1-18.5-19(b) **STEP THREE**, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(5) filed after December 31, 1982; or
- (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and

- 1 IC 6-1.1-18.5-19 for that same year; minus
- 2 (K) for each county, the sum of:
 - 3 (i) the amount of property taxes imposed in the county for
 - 4 the repayment of loans under IC 12-19-5-6 (repealed) that is
 - 5 included in the amount determined under IC 12-19-7-4(a)
 - 6 STEP SEVEN for property taxes payable in 1995, or for
 - 7 property taxes payable in each year after 1995, the amount
 - 8 determined under IC 12-19-7-4(b); and
 - 9 (ii) the amount of property taxes imposed in the county
 - 10 attributable to appeals granted under IC 6-1.1-18.6-3 that is
 - 11 included in the amount determined under IC 12-19-7-4(a)
 - 12 STEP SEVEN for property taxes payable in 1995, or the
 - 13 amount determined under IC 12-19-7-4(b) for property taxes
 - 14 payable in each year after 1995; plus
 - 15 (2) all taxes to be paid in the county in respect to mobile home
 - 16 assessments currently assessed for the year in which the taxes
 - 17 stated in the abstract are to be paid; plus
 - 18 (3) the amounts, if any, of county adjusted gross income taxes that
 - 19 were applied by the taxing units in the county as property tax
 - 20 replacement credits to reduce the individual levies of the taxing
 - 21 units for the assessment year, as provided in IC 6-3.5-1.1; plus
 - 22 (4) the amounts, if any, by which the maximum permissible ad
 - 23 valorem property tax levies of the taxing units of the county were
 - 24 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
 - 25 assessment year; plus
 - 26 (5) the difference between:
 - 27 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
 - 28 minus
 - 29 (B) the amount the civil taxing units' levies were increased
 - 30 because of the reduction in the civil taxing units' base year
 - 31 certified shares under IC 6-1.1-18.5-3(e).
 - 32 (h) "December settlement sheet" means the certificate of settlement
 - 33 filed by the county auditor with the auditor of state, as required under
 - 34 IC 6-1.1-27-3.
 - 35 (i) "Tax duplicate" means the roll of property taxes which each
 - 36 county auditor is required to prepare on or before March 1 of each year
 - 37 under IC 6-1.1-22-3.
 - 38 (j) "Eligible property tax replacement amount" is equal to the sum
 - 39 of the following:
 - 40 (1) Sixty percent (60%) of:
 - 41 (A) the total county tax levy imposed by each school
 - 42 corporation in a county for its general fund for a stated
 - 43 assessment year; **minus**
 - 44 (B) **for property taxes first due and payable in a year after**
 - 45 **December 31, 2003, the part of the total county tax levy**
 - 46 **described in clause (A) that is attributable to the taxes**
 - 47 **imposed on the part of the assessed value of each**

taxpayer's homestead (as defined in IC 6-1.1-20.9-1) exceeding three hundred thousand dollars (\$300,000) and each taxpayer's other residential properties (other than commercial residential property) exceeding three hundred thousand dollars (\$300,000).

(2) Twenty percent (20%) of:

(A) the total county tax levy (less ~~sixty percent (60%) of the~~ levy for the general fund of a school corporation that is part of the total county tax levy) **the amount determined under subdivision (1))** imposed in a county on real property for a stated assessment year; **minus**

(B) for property taxes first due and payable in a year after December 31, 2003, the part of the total county tax levy described in clause (A) that is attributable to the taxes imposed on the part of the assessed value of each taxpayer's homestead (as defined in IC 6-1.1-20.9-1) exceeding three hundred thousand dollars (\$300,000) and each taxpayer's other residential properties (other than commercial residential property) exceeding three hundred thousand dollars (\$300,000).

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

(1) held for sale in the ordinary course of a trade or business; or
(2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means the sum of the following:

(1) Sixty percent (60%) of:

(A) a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year; **minus**

(B) for property taxes first due and payable in a year after December 31, 2003, the part of the taxpayer's property tax liability described in clause (A) that is attributable to the taxes imposed on the part of the assessed value of a taxpayer's homestead (as defined in IC 6-1.1-20.9-1) exceeding three hundred thousand dollars (\$300,000) and each of the taxpayer's other residential properties (other than commercial residential property) exceeding three hundred thousand dollars (\$300,000).

(2) Twenty percent (20%) of:

(A) a taxpayer's tax liability for a stated assessment year for a

total county tax levy (less ~~sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy~~) **the amount determined under subdivision (1) on real property; minus (B) for property taxes first due and payable in a year after December 31, 2003, the part of the taxpayer's tax liability described in clause (A) that is attributable to the taxes imposed on the part of the assessed value of real property that constitutes a taxpayer's homestead (as defined in IC 6-1.1-20.9-1) exceeding three hundred thousand dollars (\$300,000) and each of the taxpayer's other residential properties (other than commercial residential property) exceeding three hundred thousand dollars (\$300,000).**

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

SECTION 47. IC 6-1.1-34-7, AS AMENDED BY P.L.90-2002, SECTION 243, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. (a) Each year in which the department of local government finance computes a new assessment ratio for a school corporation, the department shall also compute a new adjustment factor for the school corporation. If the school corporation's assessment ratio for a year is more than ninety-nine percent (99%) but less than one hundred one percent (101%) of the state average assessment ratio for that year, the school corporation's adjustment factor is the number one (1). In all other cases, the school corporation's adjustment factor equals (1) the state average assessment ratio for a year, divided by (2) the school corporation's assessment ratio for that year. The department of local government finance shall notify the school corporation of its new adjustment factor before March 2 of the year in which the department calculates the new adjustment factor.

(b) This subsection applies in a calendar year in which a general reassessment takes effect. If the department of local government finance has not computed:

- (1) a new assessment ratio for a school corporation; or**
- (2) a new state average assessment ratio;**

the school corporation's adjustment factor is the number one (1) until the department of local government finance notifies the school corporation of the school corporation's new adjustment factor."

Delete pages 101 through 105.

1 Page 106, delete lines 1 through 14.

2 Page 108, delete lines 34 through 51, begin a new paragraph and
3 insert:

4 "SECTION 54. IC 21-1-30-2, AS AMENDED BY P.L.111-2002,
5 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2003]: Sec. 2. For purposes of computation under this chapter,
7 the following shall be used:

8 (1) Kindergarten pupils shall be counted as five-tenths (0.5). All
9 other pupils shall be counted as one (1).

10 (2) The number of pupils shall be the number of pupils used in
11 determining ADM, as defined by IC 21-3-1.6, for the current year.

12 (3) The staff cost amount for a school corporation is ~~sixty-eight~~
13 ~~thousand four hundred forty-two dollars (\$68,442) for 2002 and~~
14 ~~sixty-nine thousand eight hundred eleven dollars (\$69,811). for~~
15 ~~2003.~~

16 (4) The guaranteed amount for a school corporation is the
17 primetime allocation, before any penalty is assessed under this
18 chapter, that the school corporation would have received under
19 this chapter for the 1999 calendar year.

20 (5) The at-risk index is the index determined under
21 IC 21-3-1.6-1.1.

22 (6) The following apply to determine whether amounts received
23 under this chapter have been devoted to reducing class size in
24 kindergarten through grade 3 as required by section 3(b) of this
25 chapter:

26 (A) Except as permitted under section 5.5 of this chapter, only
27 a licensed teacher who is an actual classroom teacher in a
28 regular instructional program is counted as a teacher.

29 (B) If a school corporation is granted approval under section
30 5.5 of this chapter, the school corporation may include as
31 one-third (1/3) of a teacher each classroom instructional aide
32 who meets qualifications and performs duties prescribed by
33 the Indiana state board of education.

34 SECTION 55. IC 21-1-30-3, AS AMENDED BY P.L.291-2001,
35 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2003]: Sec. 3. (a) The amount to be distributed to a school
37 corporation under this chapter is the amount determined by the
38 following formula:

39 STEP ONE: Determine the applicable target pupil teacher ratio
40 for the school corporation as follows:

41 (A) If the school corporation's at-risk index is less than
42 seventeen hundredths (0.17), the school corporation's target
43 pupil teacher ratio is eighteen to one (18:1).

44 (B) If the school corporation's at-risk index is at least
45 seventeen hundredths (0.17) but less than twenty-seven
46 hundredths (0.27), the school corporation's target pupil teacher
47 ratio is fifteen (15) plus the result determined in item (iii):

- 1 (i) Determine the result of twenty-seven hundredths (0.27)
- 2 minus the school corporation's at-risk index.
- 3 (ii) Determine the item (i) result divided by one-tenth (0.1).
- 4 (iii) Determine the item (ii) result multiplied by three (3).
- 5 (C) If the school corporation's at-risk index is at least
- 6 twenty-seven hundredths (0.27), the school corporation's target
- 7 pupil teacher ratio is fifteen to one (15:1).
- 8 STEP TWO: Determine the result of:
- 9 (A) the ADM of the school corporation, as determined under
- 10 section 2(2) of this chapter, in kindergarten through grade 3
- 11 for the current school year; divided by
- 12 (B) the school corporation's target pupil teacher ratio, as
- 13 determined in STEP ONE.
- 14 STEP THREE: Determine the result of:
- 15 (A) the total regular general fund revenue (the amount
- 16 determined in STEP ONE of IC 21-3-1.7-8) multiplied by
- 17 seventy-five hundredths (0.75); divided by
- 18 (B) the school corporation's total ADM.
- 19 STEP FOUR: Determine the result of:
- 20 (A) the STEP THREE result; multiplied by
- 21 (B) the ADM of the school corporation, as determined under
- 22 section 2(2) of this chapter in kindergarten through grade 3 for
- 23 the current school year.
- 24 STEP FIVE: Determine the result of:
- 25 (A) the STEP FOUR result; divided by
- 26 (B) the staff cost amount.
- 27 STEP SIX: Determine the greater of zero (0) or the result of:
- 28 (A) the STEP TWO amount; minus
- 29 (B) the STEP FIVE amount.
- 30 STEP SEVEN: Determine the result of:
- 31 (A) the STEP SIX amount; multiplied by
- 32 (B) the staff cost amount.
- 33 STEP EIGHT: Determine the greater of the STEP SEVEN amount
- 34 or the school corporation's guaranteed amount.
- 35 STEP NINE: If the amount the school corporation received under
- 36 this chapter in the previous calendar year is greater than zero (0),
- 37 determine the lesser of:
- 38 (A) the STEP EIGHT amount; or
- 39 (B) the amount the school corporation received under this
- 40 chapter for the previous calendar year multiplied by one
- 41 hundred seven and one-half percent (107.5%).
- 42 ~~For 2000 calculations, the amount the school corporation received~~
- 43 ~~under this chapter for the previous calendar year is the 1999~~
- 44 ~~calendar year allocation; before any penalty was assessed under~~
- 45 ~~this chapter.~~
- 46 (b) The amount received under this chapter shall be devoted to
- 47 reducing class size in kindergarten through grade 3. A school

corporation shall compile class size data for kindergarten through grade 3 and report the data to the department of education for purposes of maintaining compliance with this chapter.

SECTION 56. IC 21-1-30-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 10. This chapter expires January 1, 2006.**

SECTION 57. IC 21-2-4-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 8. A school corporation may transfer money to or from the debt service fund under IC 21-2-11-4.**

SECTION 58 IC 21-2-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) Any lawful school expenses payable from any other fund of the school corporation, including ~~without limitation~~ debt service and capital outlay, ~~but excluding costs attributable to transportation (as defined in IC 21-2-11.5-2)~~ may be budgeted in and paid from the general fund.

(b) In addition, remuneration for athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-6.1-3) may be budgeted in and paid from the school corporation's general fund.

(c) **A school corporation may transfer money in a fund maintained by the school corporation (other than the special education preschool fund (IC 21-2-17-1) or the school bus replacement fund (IC 21-2-11.5-2)) that is obtained from:**

(1) a source other than a state distribution or local property taxation; or

(2) a state distribution or a property tax levy that is required to be deposited in the fund;

to any other fund. A transfer under subdivision (2) may not be the sole basis for reducing the property tax levy for the fund from which the money is transferred or the fund to which money is transferred. Money transferred under this subsection may be used only to pay costs, including debt service, attributable to reductions in funding for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5. The property tax levy for a fund from which money was transferred may not be increased to replace the money transferred to another fund.

(d) **The total amount transferred under subsection (c) during a fiscal year may not exceed the total amount of state funding received during the fiscal year for:**

(1) transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4; and

(2) ADA flat grants under IC 21-3-4.5.

SECTION 59. IC 21-2-11.5-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 6. A school corporation may transfer money to or from the school transportation fund.**

SECTION 60. IC 21-2-15-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. **(a)** Interest on the capital projects fund, including the fund's pro rata share of interest earned on the investment of total money on deposit, shall be deposited in the fund. However, the governing body may adopt a resolution to transfer any interest earned on money on deposit in the capital projects fund to the school corporation's general fund.

(b) A school corporation may transfer money from the capital projects fund under IC 21-2-11-4.

SECTION 61. IC 21-3-1.7-6.6, AS AMENDED BY P.L.291-2001, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6.6. For purposes of this chapter, a school corporation's "adjusted ADM" for the current year is the result determined under the following formula:

STEP ONE: Determine the greatest of the following:

- (A) The school corporation's ADM for the year preceding the current year by three (3) years.
- (B) The school corporation's ADM for the year preceding the current year by two (2) years.
- (C) The school corporation's ADM for the year preceding the current year by one (1) year.
- (D) The school corporation's ADM for the current year.

STEP TWO: Determine the greater of zero (0) or the result of:

- (A) the school corporation's ADM for the year preceding the current year by four (4) years; minus
- (B) the STEP ONE amount.

STEP THREE: Determine the greatest of the following:

- (A) The school corporation's ADM for the year preceding the current year by two (2) years.
- (B) The school corporation's ADM for the year preceding the current year by one (1) year.
- (C) The school corporation's ADM for the current year.

STEP FOUR: Determine the greater of zero (0) or the result of:

- (A) the school corporation's ADM for the year preceding the current year by three (3) years; minus
- (B) the STEP THREE amount.

STEP FIVE: Determine the greater of the following:

- (A) The school corporation's ADM for the year preceding the current year by one (1) year.
- (B) The school corporation's ADM for the current year.

STEP SIX: Determine the greater of zero (0) or the result of:

- (A) the school corporation's ADM for the year preceding the

- 1 current year by two (2) years; minus
- 2 (B) the STEP FIVE amount.
- 3 **STEP SEVEN: Determine the greater of zero (0) or the result of:**
- 4 (A) the school corporation's ADM for the year preceding the
- 5 current year by one (1) year; minus
- 6 (B) the school corporation's ADM for the current year.
- 7 **STEP EIGHT: Determine the sum of the following:**
- 8 (A) The STEP TWO result multiplied by two-tenths (0.2).
- 9 (B) The STEP FOUR result multiplied by four-tenths (0.4).
- 10 (C) The STEP SIX result multiplied by six-tenths (0.6).
- 11 (D) The STEP SEVEN result multiplied by eight-tenths (0.8).
- 12 **STEP NINE: Determine the result of:**
- 13 (A) the school corporation's ADM for the current year; plus
- 14 (B) the STEP EIGHT result.
- 15 **STEP TEN: Determine the result of the school corporation's**
- 16 **ADM for 2003 plus the greater of:**
- 17 (A) zero (0); or
- 18 (B) the quotient of:
- 19 (i) the difference between the STEP NINE result minus
- 20 the school corporation's ADM for 2003;
- 21 (ii) divided by two (2).
- 22 **STEP ELEVEN: Determine the lesser of the STEP NINE**
- 23 **result or the STEP TEN result.**
- 24 Round the result to the nearest five-tenths (0.5).
- 25 **SECTION 62. IC 21-3-1.7-6.7, AS AMENDED BY P.L.111-2002,**
- 26 **SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
- 27 **JULY 1, 2003]: Sec. 6.7. (a) For each school corporation, the index**
- 28 **used in subsection (b) is determined under the following STEPS:**
- 29 **STEP ONE: Determine the greater of zero (0) or the result of the**
- 30 **following:**
- 31 (1) Multiply the school corporation's at risk index by
- 32 ~~twenty-three hundredths (0.23) in 2002 and~~ twenty-five
- 33 ~~hundredths (0.25). in 2003.~~
- 34 (2) Divide the result under subdivision (1) by three thousand
- 35 seven hundred thirty-six ten-thousandths (0.3736).
- 36 (3) Subtract ~~three hundred sixty-four ten-thousandths (0.0364)~~
- 37 ~~in 2002 and~~ three hundred ninety-five ten-thousandths
- 38 ~~(0.0395) in 2003~~ from the result under subdivision (2).
- 39 **STEP TWO: Determine the greater of zero (0) or the result of the**
- 40 **following:**
- 41 (1) Multiply the percentage of the school corporation's
- 42 students who were eligible for free lunches in the school year
- 43 ending in 2001 by ~~twenty-three hundredths (0.23) in 2002 and~~
- 44 ~~twenty-five hundredths (0.25). in 2003.~~
- 45 (2) Divide the result under subdivision (1) by seven hundred
- 46 twenty-three thousandths (0.723).
- 47 **STEP THREE: Determine the greater of zero (0) or the result of**

the following:

(1) Multiply the percentage of the school corporation's students who were classified as limited English proficient in the school year ending in 2000 by ~~twenty-three hundredths (0.23) in 2002 and~~ twenty-five hundredths (0.25). ~~in 2003;~~

(2) Divide the result under subdivision (1) by one thousand seven hundred fifteen ten-thousandths (0.1715).

STEP FOUR: Determine the result of:

(1) the sum of the results in STEPS ONE through THREE; divided by

(2) three (3).

STEP FIVE: Determine the result of one (1) plus the STEP FOUR result.

(b) A school corporation's target revenue per ADM for a calendar year is the result determined under STEP SIX of the following formula:

STEP ONE: Determine the result under clause (B) of the following formula:

(A) Determine the result of:

(i) four thousand ~~four~~ **five** hundred ~~forty~~ **ninety** dollars ~~(\$4,440) (\$4,590) in 2002 2004 and four thousand five six~~ hundred ~~sixty thirty~~ dollars ~~(\$4,560) (\$4,630) in 2003;~~ **2005;** multiplied by

(ii) the index determined for the school corporation under subsection (a).

(B) Multiply the clause (A) result by the school corporation's adjusted ADM for the current year.

STEP TWO: Divide the school corporation's previous year revenue by the school corporation's adjusted ADM for the previous year.

STEP THREE: ~~Multiply the subsection (a) STEP FIVE result by the following:~~

(A) ~~If the STEP TWO result is not more than:~~

(i) ~~four thousand four hundred forty dollars (\$4,440) in 2002; and~~

(ii) ~~four thousand five hundred sixty dollars (\$4,560) in 2003;~~

~~multiply by ninety dollars (\$90).~~

(B) ~~If the STEP TWO result is:~~

(i) ~~more than four thousand four hundred forty dollars (\$4,440) and not more than five thousand five hundred twenty-five dollars (\$5,525) in 2002; or~~

(ii) ~~more than four thousand five hundred sixty dollars (\$4,560) and not more than five thousand eight hundred twenty-five dollars (\$5,825) in 2003;~~

~~multiply by the result under clause (C).~~

(C) ~~Determine the result of:~~

(i) ~~The STEP TWO result minus four thousand four hundred~~

- 1 forty dollars (\$4,440) in 2002 and four thousand five
- 2 hundred sixty dollars (\$4,560) in 2003.
- 3 (ii) Divide the item (i) result by one thousand eighty-five
- 4 dollars (\$1,085) in 2002 and one thousand two hundred
- 5 sixty-five dollars (\$1,265) in 2003.
- 6 (iii) Multiply the item (ii) result by forty dollars (\$40).
- 7 (iv) Subtract the item (iii) result from ninety dollars (\$90).
- 8 (D) If the STEP TWO result is more than
- 9 (i) five thousand five hundred twenty-five dollars (\$5,525)
- 10 in 2002; and
- 11 (ii) five thousand eight hundred twenty-five dollars (\$5,825);
- 12 in 2003;
- 13 multiply by fifty dollars (\$50).
- 14 STEP FOUR: Add the STEP TWO result and the STEP THREE
- 15 result.
- 16 STEP FIVE: Determine the greatest of the following:
- 17 (A) Multiply the STEP FOUR TWO result by the school
- 18 corporation's adjusted ADM for the current year.
- 19 (B) Multiply the school corporation's previous year revenue by
- 20 one and ~~two-hundredths (1.02)~~; **fifteen-thousandths (1.015)**.
- 21 (C) The STEP ONE amount.
- 22 STEP ~~SIX~~: **FOUR**: Divide the STEP FIVE **THREE** amount by
- 23 the school corporation's adjusted ADM for the current year.
- 24 SECTION 63. IC 21-3-1.7-6.8, AS AMENDED BY P.L.85-2002,
- 25 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 26 JULY 1, 2003]: Sec. 6.8. A school corporation's target general fund
- 27 property tax rate for purposes of IC 6-1.1-19-1.5 is the result
- 28 determined under STEP THREE of the following formula:
- 29 STEP ONE: This STEP applies only if the amount determined in
- 30 STEP FIVE of the formula in section 6.7(b) of this chapter minus
- 31 the result determined in STEP ONE of the formula in section
- 32 6.7(b) of this chapter is greater than zero (0). Determine the result
- 33 under clause (E) of the following formula:
- 34 (A) Divide the school corporation's ~~2002~~ assessed valuation by
- 35 the school corporation's current ADM.
- 36 (B) Divide the clause (A) result by ten thousand (10,000).
- 37 (C) Determine the greater of the following:
- 38 (i) The clause (B) result.
- 39 (ii) ~~Thirty-nine~~ **Forty-one** dollars (~~\$39~~) and **seventy-five**
- 40 **cents (\$41.75)** in 2002 ~~2004~~ and **thirty-nine forty-three**
- 41 **dollars and seventy-five sixty-five cents (\$39.75) (\$43.65)**
- 42 in ~~2003~~. **2005**.
- 43 (D) Determine the result determined under item (ii) of the
- 44 following formula:
- 45 (i) Subtract the result determined in STEP ONE of the
- 46 formula in section 6.7(b) of this chapter from the amount
- 47 determined in STEP FIVE of the formula in section 6.7(b)

- 1 of this chapter.
- 2 (ii) Divide the item (i) result by the school corporation's
- 3 current ADM.
- 4 (E) Divide the clause (D) result by the clause (C) result.
- 5 (F) Divide the clause (E) result by one hundred (100).
- 6 STEP TWO: This STEP applies only if the amount determined in
- 7 STEP FIVE of the formula in section 6.7(b) of this chapter is
- 8 equal to STEP ONE of the formula in section 6.7(b) of this
- 9 chapter and the result of clause (A) is greater than zero (0).
- 10 Determine the result under clause (G) of the following formula:
- 11 (A) Add the following:
- 12 (i) An amount equal to the annual decrease in federal aid to
- 13 impacted areas from the year preceding the ensuing calendar
- 14 year by three (3) years to the year preceding the ensuing
- 15 calendar year by two (2) years.
- 16 (ii) The portion of the maximum general fund levy for the
- 17 year that equals the original amount of the levy imposed by
- 18 the school corporation to cover the costs of opening a new
- 19 school facility during the preceding year.
- 20 (B) Divide the clause (A) result by the school corporation's
- 21 current ADM.
- 22 (C) Divide the school corporation's ~~2002~~ assessed valuation by
- 23 the school corporation's current ADM.
- 24 (D) Divide the clause (C) result by ten thousand (10,000).
- 25 (E) Determine the greater of the following:
- 26 (i) The clause (D) result.
- 27 (ii) ~~Thirty-nine~~ **Forty-one** dollars (~~\$39~~) **and seventy-five**
- 28 **cents (\$41.75) in 2002 2004 and thirty-nine forty-three**
- 29 **dollars and seventy-five sixty-five cents (\$39.75) (\$43.65)**
- 30 **in 2003; 2005.**
- 31 (F) Divide the clause (B) result by the clause (E) amount.
- 32 (G) Divide the clause (F) result by one hundred (100).
- 33 STEP THREE: Determine the sum of:
- 34 (A) ~~ninety-one and eight-tenths cents (\$0.918) in 2002;~~
- 35 **seventy-one cents (\$0.71) in 2004; and**
- 36 (B) ~~ninety-five and eight-tenths cents (\$0.958) in 2003;~~
- 37 **sixty-four cents (\$0.64) in 2005; and**
- 38 if applicable, the STEP ONE or STEP TWO result.
- 39 SECTION 64. IC 21-3-1.7-9, AS AMENDED BY P.L.178-2002,
- 40 SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 41 JULY 1, 2003]: Sec. 9. (a) Subject to the amount appropriated by the
- 42 general assembly for tuition support, the amount that a school
- 43 corporation is entitled to receive in tuition support for a year is the
- 44 amount determined in section 8 of this chapter.
- 45 (b) If the total amount to be distributed as tuition support under this
- 46 chapter, for enrollment adjustment grants under section 9.5 of this
- 47 chapter, for at-risk programs under section 9.7 of this chapter, for

academic honors diploma awards under section 9.8 of this chapter, for
 primetime distributions under IC 21-1-30, for special education grants
 under IC 21-3-2.1, and for vocational education grants under
 IC 21-3-12 for a particular year, exceeds:

(1) three billion ~~three~~ **five** hundred ~~sixty-three~~ **seventy-three**
 million ~~four hundred thousand~~ dollars (~~\$3,363,400,000~~)
 (**\$3,573,000,000**) in ~~2001~~; **2003**;

(2) three billion ~~four~~ **six** hundred ~~thirty-seven~~ **eighty-nine** million
~~one~~ **six** hundred thousand dollars (~~\$3,437,100,000~~)
 (**\$3,689,600,000**) in ~~2002~~; **2004**; and

(3) three billion ~~five~~ **seven** hundred ~~thirty-six~~ **sixty-three** million
~~five hundred thousand~~ dollars (~~\$3,536,500,000~~) (**\$3,763,000,000**)
 in ~~2003~~; **2005**;

the amount to be distributed for tuition support under this chapter to
 each school corporation during each of the last six (6) months of the
 year shall be reduced by the same dollar amount per ADM (as adjusted
 by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the
 excess.

SECTION 65. IC 21-3-1.7-9.5, AS AMENDED BY P.L.93-2000,
 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 JULY 1, 2003]: Sec. 9.5. (a) In addition to the distribution under
 sections 8, 9.7, and 9.8 of this chapter, a school corporation is eligible
 for an enrollment adjustment grant if the school corporation's:

(1) current ADM minus the school corporation's previous year
 ADM is at least two hundred fifty (250); or

(2) current ADM divided by the school corporation's previous
 year ADM is at least one and five-hundredths (1.05).

(b) The amount of the enrollment adjustment grant is the amount
 determined in STEP THREE of the following formula:

STEP ONE: Determine the school corporation's target revenue per
 ADM divided by ~~three (3)~~; **six (6)**.

STEP TWO: Determine the result of the school corporation's
 current ADM minus the school corporation's previous year ADM.

STEP THREE: Multiply the STEP ONE result by the STEP TWO
 result.

(c) Notwithstanding any other provision, for purposes of computing
 the amount of a grant under this section, "ADM" does not include an
 eligible pupil who is described in IC 21-3-1.6-1.2(a).

SECTION 66. IC 21-3-1.7-9.7, AS AMENDED BY P.L.291-2001,
 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 JULY 1, 2003]: Sec. 9.7. In addition to the distributions under sections
 8, 9.5, and 9.8 of this chapter for 1997 and thereafter, a school
 corporation is eligible for an amount for at-risk programs in the amount
 determined in STEP SIX of the following formula:

STEP ONE: Determine the greater of the following:

(A) The result determined under item (ii) of the following
 formula:

(i) Determine the result of the school corporation's at-risk index minus two-tenths (0.2).

(ii) Multiply the item (i) result by seven-hundredths (0.07).

(B) Zero (0).

STEP TWO: Determine the greater of the following:

(A) The result determined under item (ii) of the following formula:

(i) Determine the result of the school corporation's at-risk index minus fifteen-hundredths (0.15).

(ii) Multiply the item (i) result by eighteen-hundredths (0.18).

(B) Zero (0).

STEP THREE: Determine the result under clause (B) of the following formula:

(A) Determine the lesser of:

(i) the school corporation's at-risk index; or

(ii) fifteen-hundredths (0.15).

(B) Multiply the clause (A) result by one hundredth (0.01).

STEP FOUR: Add the STEP ONE result, the STEP TWO result, and the STEP THREE result.

STEP FIVE: Multiply the STEP FOUR sum by the school corporation's current ADM. Round the result to the nearest one-hundredth (0.01).

STEP SIX: Multiply the STEP FIVE product by ~~three thousand five hundred ninety-two dollars (\$3,592) in 2002 and~~ three thousand six hundred sixty-four dollars (\$3,664). ~~in 2003.~~

SECTION 67. IC 21-3-1.7-9.8, AS AMENDED BY P.L.291-2001, SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9.8. (a) In addition to the distributions under sections 8, 9.5, and 9.7 of this chapter, a school corporation is eligible for an honors diploma award in the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the number of the school corporation's eligible pupils who successfully completed an academic honors diploma program in the school year ending in the previous calendar year.

STEP TWO: Multiply the STEP ONE amount by

~~(1) nine hundred forty-four dollars (\$944) in 2002; and~~

~~(2) nine hundred sixty-three dollars (\$963). in 2003.~~

(b) Each year the governing body of a school corporation may use the money that the school corporation receives for an honors diploma award under this section to give ~~nine hundred forty-four dollars (\$944) in 2002 and~~ nine hundred sixty-three dollars (\$963) ~~in 2003~~ to each eligible pupil in the school corporation who successfully completes an academic honors diploma program in the school year ending in the previous calendar year.

SECTION 68. IC 21-3-1.7-10, AS AMENDED BY P.L.291-2001,

SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. This chapter expires January 1, ~~2004~~. **2006**.

SECTION 69. IC 21-3-2.1-7, AS ADDED BY P.L.111-2002, SECTION 9, AND P.L.178-2002, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The amount of the grant that a school corporation is entitled to receive for special education programs is equal to:

(1) the nonduplicated count of pupils in programs for severe disabilities multiplied by

~~(A) eight thousand forty-five dollars (\$8,045) in 2002; and~~

~~(B) eight thousand two hundred forty-six dollars (\$8,246); in 2003; plus~~

(2) the nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by

~~(A) two thousand one hundred eighty-three dollars (\$2,183) in 2002; and~~

~~(B) two thousand two hundred thirty-eight dollars (\$2,238); in 2003; plus~~

(3) the duplicated count of pupils in programs for communication disorders multiplied by

~~(A) five hundred eighteen dollars (\$518) in 2002; and~~

~~(B) five hundred thirty-one dollars (\$531); in 2003; plus~~

(4) the cumulative count of pupils in homebound programs multiplied by

~~(A) five hundred eighteen dollars (\$518) in 2002; and~~

~~(B) five hundred thirty-one dollars (\$531). in 2003.~~

SECTION 70. IC 21-3-2.1-10, AS ADDED BY P.L.111-2002, SECTION 9, AND P.L.178-2002, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. This chapter expires January 1, ~~2004~~. **2006**.

SECTION 71. IC 21-3-12-12, AS AMENDED BY P.L.291-2001, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. This chapter expires January 1, ~~2004~~. **2006**.

Delete pages 109 through 114.

Page 115, delete lines 1 through 20.

Page 116, delete lines 25 through 47.

Page 117, delete lines 35 through 51.

Delete pages 118 through 140.

Page 141, delete lines 1 through 14.

Page 151, delete lines 3 through 4, begin a new paragraph and insert:

"SECTION 118. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2003]: IC 21-2-4-7; IC 21-2-11.5-5; IC 21-2-15-13.1."

Page 151, delete lines 8 through 41, begin a new paragraph and insert:

"SECTION 121. P.L.291-2001, SECTION 101, IS AMENDED TO
READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: SECTION 101.

(a) Notwithstanding IC 21-3-1.6-1.2, as added by this act, and
IC 21-3-1.7, the tuition support determined under IC 21-3-1.7-8 for a
school corporation shall be reduced as follows:

(1) For 2001, the previous year's revenue determined without
regard to IC 21-3-1.6-1.2, as added by this act, shall be reduced
by an amount determined under the following STEPS:

STEP ONE: Determine the difference between:

(A) the school corporation's average daily membership count
for 2000, without regard to IC 21-3-1.6-1.2, as added by this
act; minus

(B) the school corporation's average daily membership count
for 2000, as adjusted by the school corporation under this
act after applying IC 21-3-1.6-1.2, as added by this act.

STEP TWO: Determine the result of:

(A) the school corporation's previous year's revenue under
IC 21-3-1.7-3.1, without regard to IC 21-3-1.6-1.2, as added
by this act; divided by

(B) the school corporation's average daily membership for
2000, without regard to IC 21-3-1.6-1.2, as added by this
act.

STEP THREE: Multiply the STEP ONE result by the STEP
TWO result.

STEP FOUR: Multiply the STEP THREE result by one-third
(1/3).

(2) For 2002, the previous year revenue determined without
regard to IC 21-3-1.6-1.2, as added by this act, shall be reduced
by an amount equal to the result under the following:

(A) Determine the result of:

(i) the amount determined under STEP THREE of
subdivision (1); minus

(ii) the amount determined under STEP FOUR of
subdivision (1).

(B) Divide the clause (A) result by three (3).

(C) Multiply the clause (B) result by one and three-hundredths
(1.03).

(3) For 2003, the previous year revenue determined without
regard to IC 21-3-1.6-1.2, as added by this act, shall be reduced
by an amount equal to the reduction amount under subdivision (2)
multiplied by one and two-hundredths (1.02).

(4) For 2004, the previous year revenue determined without
regard to IC 21-3-1.6-1.2, as added by P.L.93-2000, shall be
reduced by an amount equal to the reduction under subdivision
(2) multiplied by one and two-hundredths (1.02). For 2005, the
product of:

(A) the reduction amount under subdivision (3) divided by

- 1 two (2); multiplied by
 2 **(B) one and thirty-five thousandths (1.035).**
 3 **(5) For 2006, the product of:**
 4 **(A) the reduction amount under subdivision (4); multiplied**
 5 **by**
 6 **(B) one and fifteen-thousandths (1.015).**
 7 **(6) For 2007, the product of:**
 8 **(A) the reduction amount under subdivision (5); multiplied**
 9 **by**
 10 **(B) one and fifteen-thousandths (1.015).**
 11 (b) This SECTION expires January 1, ~~2005~~: **2008**."
 12 Page 155, delete lines 23 through 26.
 13 Page 155, delete lines 33 through 39.
 14 Page 156, between lines 3 and 4, begin a new paragraph and insert:
 15 "SECTION 144. [EFFECTIVE JANUARY 1, 2003
 16 (RETROACTIVE)] **IC 6-1.1-20.9-2 and IC 6-1.1-21-2, both as**
 17 **amended by this act, apply only to property taxes first due and**
 18 **payable after December 31, 2003.**".
 19 Re-number all SECTIONS consecutively.
 (Reference is to EHB 1001 as printed April 1, 2003.)

Senator SIMPSON